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FEATURED

Idaho Dept. of Lands

IDL seeks changes to administrative rules for oil and gas conservation

Proposal aligns with Gov. Brad Little's Zero-Based Regulation executive order; includes time frames, time limits

Leslie Thompson Independent-Enterprise

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Only four people attended an in-person meeting hosted by Idaho Department of Lands officials at Fruitland City Hall on April 15. The meeting was for public review of a draft of proposed changes to the rules governing conservation of oil and natural gas in the state of Idaho, which fall under Idaho Administrative Procedures Act 20.07.02.

Leslie Thompson photos | Independent-Enterprise

EDITOR'S NOTE

This article has been updated to reflect that Idaho Department of Lands is not required to inspect mechanical integrity testing and the correct email address for James Thum.

FRUITLAND — Officials from the Idaho Oil and Gas Conservation Commission held a public meeting in Fruitland on April 15. This was to go over proposed changes to administrative rules that govern oil and natural gas conservation in Idaho. While many of the changes are just a clean-up of language to make the rule easier to understand, there are changes related to time frames for public comment and extensions of active and inactive status for wells.

This was the second public meeting held in recent weeks to review the draft proposal; the first was April 11 in Boise. A third meeting is planned for April 29, during which officials will present a second draft of the proposed changes. That draft will include comments from the first two meetings, according to James Thum, Oil and Gas program manager with Idaho Department of Lands, who led the meeting on Monday.

WHY IS IT CHANGING?



IDL seeks changes to administrative rules for oil and gas conservation

During a brief overview, Thum noted that Oil and Gas Conservation falls under Title 47, Chapter 3 of Idaho Code and must stay within that statute. The proposed changes fall in line with Gov. Brad Little’s Zero-Based Regulation executive order initiated in 2020. The order is aimed at reducing red tape and “taking out legal language” the public doesn’t generally understand.

Further, Thum said it is to streamline language to help the “operator understand what needs to be done and to have a clear path forward to conduct business under the auspices” of the

regulatory code.

Thum mentioned that the the commission already had done one big reduction in the past five years. That was in 2019, when “we cut out about 3,330 words and eight pages of text.”

For the current proposal, there are 1,470 overall word reductions, including the removal of 54 restrictive words and changes on the 41-page rules document. Examples of word changes include those such as “shall” to “must,” and “director” to “administrator.”

TIME FRAMES

Aside from creating language that is easier to understand, adjusted time frames also are included in the draft rule.

In Notices, under section 40, which relates to public comment, the state agency is seeking to reduce the number of days for the written public comment period from 15 down to 10.

Meeting attendee JoAnne Higby provided formal comment about that.

“I think 15 days is fine. I hate to see it cut back to 10. When I went to the DEQ website, it is typically 15 to 30 days. So the low end of that seems appropriate for this agency, as well. I would prefer that stay at 15,” Higby said.



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When it came to mechanical integrity testing Private Attorney Marc Haws said he was curious as to why the department was seeking to shorten the period from 10 days to 24 hours, asking what the department needed to do in those 24 hours.

Thum said it for basic operation of a pressure test on casing, the department is not required to inspect mechanical integrity testing.

"For the record, we must review the results of the test to be certain that the well passed the test," wrote Sharla Arledge, public information officer, in an email requesting clarification on April 19. "If it does not, or the tests are inconclusive, we would ask the operator to re-perform the test or take remedial action to repair the well."

“There are guidelines within the rule they must follow so they know the expectations,” he said. “They typically prefer to do that when equipment is on site. If they have to wait 10 days and pay for equipment to sit 10 days on standby,” it can be pretty expensive.

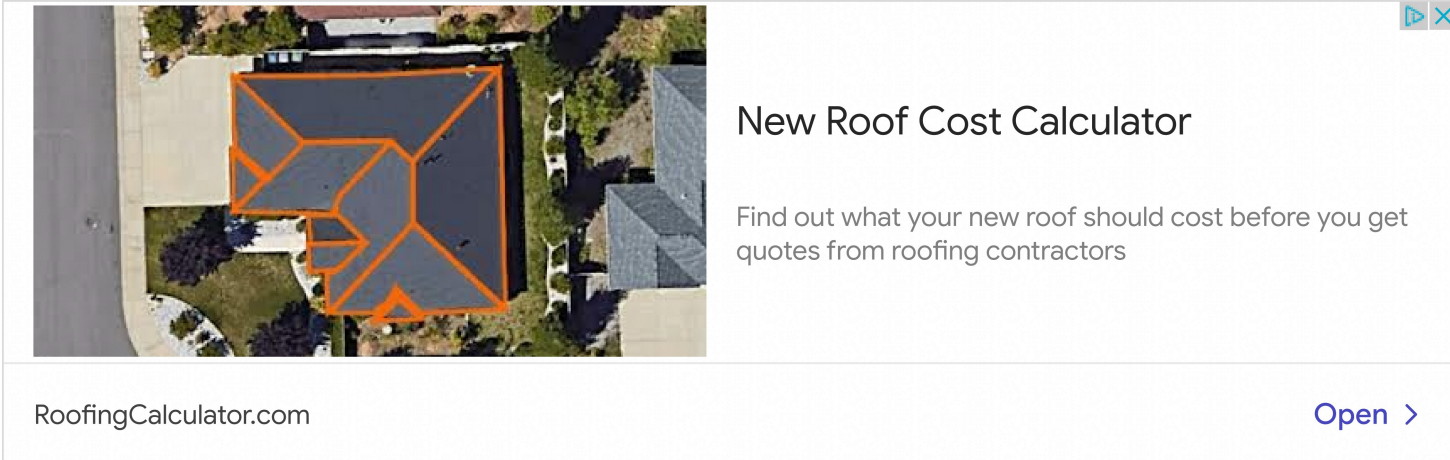
Haws asked, “So this is just notice [to the department], not that you have to do anything in response?”

Thum answered in the affirmative saying that was “pretty standard for some other operational activities.

Haws then asked about bonding, wanting to know whether there was a section that dealt with taking action on a bond for such issues as “reclamation, cleanup or whatever.”

Thum said he believed the state has other requirements, but that OGCC had “nothing specific in the rule of actually calling in a bond.”

Haws stated that he would look into that more, stating that from his experience on a federal level, trying to get reclamation on mining operations “can be a lengthy and litigious process.” He was curious where the commission had a process of “making good on a bond,” and Thum said he was “not sure” about the state guidelines.



The advertisement features an aerial photograph of a house with a dark roof, where the roof's various sections are outlined in orange. To the right of the image, the text reads: "New Roof Cost Calculator", "Find out what your new roof should cost before you get quotes from roofing contractors", and "RoofingCalculator.com". In the bottom right corner, there is a blue "Open >" button. The entire ad is enclosed in a light gray border with a small close button in the top right corner.

ACTIVE AND INACTIVE

The conversation on bonds, spilled over into time limits for active and inactive well extensions, which also is under review.

“There is not too much in the way of changes, but one thing is the department felt that the extension of active and inactive status wasn’t clear, as to how long that status could occur,” Thum said.

In the proposed change, the maximum would be “no more than 10 years for extension of active status.” In order for an operator to request extension of “inactive status” on a well, it could be granted a couple of times for up to three years each, but could not exceed six total years.

“After which the operator would be required to plug a well,” Thum said.

Higby spoke up again.

“I would like to see those reduced. That is a long time,” she said. “I like having a max, but 10 years. That’s a decade, right?”

Haws added to this in asking Thum whether there is a standard within the industry that other states are doing.

Thum replied that his findings in the “little research” he’d done other states were “kind of all over the board.”

“One issue across the country, is a lot of abandoned and orphaned wells that state and federal governments are now liable to have plugged,” Thum said. “Fortunately, in Idaho, that’s not a problem, because there are not that many wells and because the industry is so new here. We have been diligent on keeping up with operators ... making sure those inactive [wells] get plugged.”

Haws said this went back to his other comment about bonding and action against a bond.

“One function, I assume, is to have the state go in and cap or minimize or mitigate any damages, which could play into the timing issue.”



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Thum asked Higby if she had any suggestions on time frames. She clarified that she didn’t have any issues with current operators but noted that as a matter of policy going forward, it should be changed.

“I think the extensions are excessive and would have to give some thought to what I could live with,” Higby said.

COMMENT THRU MAY 31

The state agency is accepting written comments on the draft changes through May 31. Following that, it will publish a notice of proposal for the final changes in a bulletin in August, which will trigger another public hearing, with time and date of that yet to be determined. What is known is that written comments for that August notice will be due by Aug. 28. From there, the final changes will be presented to the OGCC in October, followed by a bulletin in December and, finally, the pending rule will be presented to the Idaho Legislature in 2025.

The first draft text is now available for review on the rulemaking webpage on the Oil and Gas Conservation Commission Website: <https://bit.ly/49s4Qgm>.

Thum encouraged citizens to submit written comments, which can be sent to rulemaking@idl.idaho.gov, with “IDAPA 20.07.02” in the subject line.

For more information, contact James Thum at (208) 334-0243 or jthum@idl.idaho.gov.

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